



BURBERRY

VIGO STREET W1

REGENT STREET W1

DIVISION?

WHAT DIVISION?

The pressure on retailers to create a seamless multichannel experience is intensifying, forcing them to invest in new technology to integrate customer channels. Reemé Idris, creative director of we-are.co, discusses the gradual blurring of in-store-retailing and e-commerce with Nik Thakkar, director of fashion brand consultancy Nephew London. and James Wallman, editor of LS:N Global.

Frank Riso of Motorola summed it up very nicely when he said “The primary issue behind omni-channel retail is that a shopper doesn’t see a retailer as an online store or bricks-and-mortar location; they see only one company.”

Too true. Many property people and retailers see a division between bricks-and-mortar and e-commerce; the consumer does not. John Lewis is John Lewis regardless of whether we have just visited the store to buy something, ordered something on the phone or online or just had something delivered by them. What matters to the consumer is the overall John Lewis shopping experience not the point of transaction/collection/delivery.

The abundance of terminologies, ‘multi-channel’, ‘omni-channel’, ‘cross-channel’ etc etc can risk, in their attempt to identify the streams more clearly, muddying the waters instead. It is still shopping and we have always had ‘channels’. We are just continuing to leverage the shopping experience through technological advances, as we have always done.

There will be winners and losers of course. Because of the scale of change occurring, the stakes for retailers (and property organisations) today are unusually high. For example, it is estimated, very conservatively, that as much as 20% of luxury store sales are ‘influenced’ by web-browsing. I would put the figure a lot higher. Whatever the figure actually is, 20 years ago it was zero. Over 50% of retailers may well not have transactional websites yet, but most have websites to browse. And how often do you shop

for big-ticket items these days without paying an online visit first? Browsing and, critically, price comparison is fully part of everyday shopping for most households nowadays.

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The Internet is a peerless consumer research tool in this respect. It has gone from nothing to invaluable in less than 20 years. Apart from the thousands and thousands of retailer websites,

there are product reviews; you can watch fashion shows; you can check what your friends think on Facebook before you buy and of course, with branded commodities at least, you can compare prices on a like-for-like basis.

If, as a mass-market retailer, you are not taking a position online, the market will pass you by. The drive now is to integrate the evolving technologies into the shopping experience itself or rather, in the way cashpoints and credit cards once did, add convenience and foster efficiency to reduce costs.

Burberry, which held its grand Regent Street opening during London Fashion Week is at the forefront of online-offline brand integration. Ditching tills for credit card enabled iPads and long queues for comfortable sofas; Burberry’s mantra of a ‘walk-in website’ is evident in almost every corner of the giant 44,000 sq ft store, a



one-time cinema. Equipped with a mass of new technology including full length screens doubling-up as mirrors, there are RFID tagged items to update the screen you are using with information on each of your prospective purchases and even a hydraulic stage live streaming fashion shows: an initiative dubbed 'Burberry World Live'.

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"Burberry's Regent Street opening is essentially a strategic brand experience space - in a similar way to Apple, the Disney Store and Nike Town," explains Nik Thakkar, director of fashion brand consultancy Nephew London.

"It's a creative venue that compliments online, but its primary focus isn't bricks and mortar retail. Its location is accessible and receives a high tourist footfall and will fast becoming a cultural talking point for a wide demographic - particularly as it will include everything from Burberry Beauty to Burberry Prorsum. The consumer experience and brand attraction are essentially the main focus. Sales through digital channels, whether in store on an iPad or at home a month later, are what comes next."

The trick for retailers now is to isolate and combine the best of online/off-line. For example, in order to make the most of the very limited floor space in its central London stores, Tesco partnered with augmented reality specialist Aurasma to create a novel solution for showcasing their F&F clothing range. Implemented as an app for most modern smartphones, Aurasma's technology allows passers-by to point their phone's camera at the shop windows to reveal the entire virtual showcase.

And where Tesco goes, others are likely to follow. At the mass-market end, it is the big-boys that are piling in the Internet investment, shaping the future ground of retailing and grabbing market share while they do it.

But niche players are also having an impact: 'The Super Cool', for example, provides a movement (literally) in the saturated pop-up retail market with a modern take on vintage pedlars

from the 1800s: a mobile design emporium that takes its distinctive physical presence to different neighbourhoods around Melbourne.

There is no doubt that The Super Cool's combination of an online and transactional store creates an anchor to their blink-and-you'll-miss-it model as well as feeding a valuable revenue stream derived at least in part from customers who may be nowhere near their latest temporary outlet.

Clemens en August meanwhile eschew the 'pop up' moniker. They are a prime example of a touring label. Clemens makes its collection available for three days at a time within a gallery or museum in the course of a worldwide tour of selected cities. Both business models support their physical offers via websites. Clemens en August customers are notified of tour dates/ places via word of mouth or e-mail. Customers are given a password which only then allows them to shop online, adding to the exclusivity of the experience.

Some brands are seeking to connect with their consumers in a different way, using innovative storytelling focusing on their own core values. Sustainability-focused clothing brand Patagonia, for example, introduced the 'Footprint Chronicles', a program designed to further their transparency goals by allowing their customers to learn about suppliers and the textile mills and factories they use to create their products, even highlighting their locations via Google mapping technology.

Not happy with just providing the address and images of the locations, Patagonia went one step further by also including the demographic of their employees: including employee counts, gender ratios and languages spoken. In a similar vein to Patagonia, in its use of sustainable materials, Honest By also tackles transparency but from the financial side, revealing information other retailers would prefer the customer not know such as the cost of materials, where materials are sourced, how goods are manufactured and, most importantly, the final retail mark-up. Honest By has thrown down the financial transparency gauntlet to other environmentally-aware retailers. Of course, not every innovation catches on.



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Some brands are seeking other ways entirely to engage with customers. Ray-Ban for example, celebrated its 75th anniversary with the launch of a 'Legends Never Hide' microsite (a small single purpose website) to allow users to share experiences they had while wearing sunglasses. This was followed up with a print campaign taking the best seven stories and turning them into iconic images.

Nordstrom has taken consumer interaction one step further with its recent sunglass iPad app. The Nordstrom Innovation Lab meanwhile created, tested and built an iPad app to aid customers when buying sunglasses. The app developers



worked on the shop floor, operating within the store's sunglasses department when they were creating the app. Taking this approach allowed valuable user interaction with the app while the development work was in progress with software changes made on the spot.

One great example of innovation inspired by (as well as utilising) various sources and channels, is newly opened STORY. Aiming to extend the experience of a fashion magazine to retail, New York based concept store STORY offers a retail experience that changes and reinvents itself on a schedule more akin to a gallery. Every four to eight weeks, the store changes all its merchandise and interior design, reinventing itself around a different plot line. In creating a bricks and mortar presence that evolves on a theme-driven basis, STORY has been open to 'smart' collaborations with online companies such as Nerve, an online dating service, during its 'love' story theme.

As well as giving a physical presence to eight winning fashion technology companies to display and promote their products (ranging from apps

to enabling technologies and software) STORY launched Project Pop Up NYC alongside New York City Economic Development Corporation to help incubate emerging New York City-based fashion companies. Evolving content and cross-platform theme reinforcement, utilising a range of collaborations is sure to keep STORY a tale of success.

Ultimately, it is all about choosing the best medium for that moment to tell the brand's story; retailers who engage with their consumer in the most seamless and inspiring way, win.

"For so many reasons – economic, technological, psychological and more – we've got enough stuff," says James Wallman.

"So in today's era of austerity, we're being even more careful with our money. Instead of buying more things to have and hold, we want stories to tell. So retailers who bring a little retail theatre and give good experience will win: think Selfridges and the Bompas & Parr's crazy golf on the roof this summer."

Speciality retailers are increasingly suffering

from the 'show-rooming effect': i.e. smartphone users looking at products in-store whilst comparing prices and buying by mobile. M-commerce and Amazon are snapping at their heels. The challenge for bricks and mortar retailers now is to tailor their digital approach to strengthen their overall shopping offer; to make the shopping experience seamless. The tools are there; now is the time to exploit the opportunities growing out of the new technologies.

REEMÉ IDRIS

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Reemé is a leading retail industry stylist and producer. Reemé delivers content (live, print and digital) designed specifically to engage shoppers and to exploit promotional opportunities for shopping centre owners and retailers. Reemé specialises in leveraging upscale fashion and luxury shopping opportunities at unit shop and at centre level.